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MANPOWER,
RESERVE AFFAIRS
AND LOGISTICS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301

15 DEC 1978

Defense Energy Program Policy Memorandum (DEPPM), No. 78-8

MEMORANDUM FOR Designated Energy Officials of the Office of
the Secretary of Defense, Military Departments,
Joint Chiefs of Staff, and Defense Agencies

SUBJECT: Department of Defense-Department of Energy
Memorandum of Understanding (MOU)

PURPOSE: To implement the enclosed October 19, 1978,
memorandum of understanding between the Department of Defense
(DoD) and the Department of Energy (DoE) which provides for a
broad range of cooperative energy activities. The MOU will
help achieve the energy goals of the United States and,
ultimately, enhance national security.

APPLICABILITY: The provisions of this Defense Energy Program
Policy Memorandum apply to the Office of the Secretary of
Defense, the military departments, and defense agencies
(hereinafter referred to as DoD components).

POLICY: The Department of Defense-Department of Energy MOU
establishes the general conditions under which DoD components
will undertake specific cooperative arrangements with the DoE
to improve energy efficiency and fuel availability within the
DoD and to use the expertise in both departments to carry out
projects of mutual interest.

Cooperative efforts may be undertaken only when the benefits
to the DoD are commensurate with the anticipated expenditures
of DoD resources. Consideration may be given to cooperative
efforts where DoD has unique resources or capabilities
essential to the conduct of DoE programs. Such efforts will
require the prior approval of the DoD Program Coordinator,
however. Use of DoD resources to support activities under
the MOU will be done according to the references in
enclosure 3.

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RESPONSIBILITIES: The Deputy Assistant Secretary of Defense (Energy, Environment & Safety) shall:

- Serve as the Program Coordinator to carry out the liaison activities of the MOU (see enclosure 2);
- Identify to the DoE Defense fuel requirements necessary to support peacetime readiness and wartime operations of the strategic and tactical forces;
- Collaborate with the DoE to ensure that DoE programs, to include the Strategic Petroleum Reserve, assure the peacetime readiness and wartime operational needs of the strategic and tactical forces;
- Conduct semiannual reviews of DoD-DoE cooperative efforts;
- Release, in coordination with the DoE Program Coordinator, information to the public on joint DoD-DoE programs and projects which are implemented under the MOU;
- Provide support to DoE in budget justification and hearings before the Office of Management and Budget and the Congress on joint activities;
- Review the MOU annually to determine whether it should be continued, modified or terminated; and,
- Maintain copies of all executed agreements subordinate to the MOU.

The heads of DoD components shall:

- Develop procedures to assure that agreements subordinate to the MOU which provide the operational, fiscal, and management guidelines are consistent with provisions of the MOU and established DoD policies (see enclosure 3);
- Designate a program coordinator to interface with the DoD program coordinator;
- Provide copies of all current executed subordinate agreements to the DoD Program Coordinator within 30 days of the issuance of this DEPPM;

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- Provide the DoD Program Coordinator an analysis of each agreement using the report format at enclosure 4 within 30 days after the end of the second and fourth quarters each fiscal year;
- Provide copies of all newly executed subordinate agreements to the DoD Program Coordinator within 30 days after their consummation;
- Assist the DoD Program Coordinator's semi-annual review of all DoD-DoE cooperative efforts to determine their adequacy and to measure their achievements;
- Assure that adequate resources are available to fulfill the provisions of all agreements; and,
- Establish a central repository and review process to assure that all agreements are in compliance with this DEPPM. Notify promptly the DoD Program Coordinator should the DoD component or DoE fail to comply with the terms of the agreement. This notification shall include:
 - + a brief statement of the problem
 - + nature of corrective action proposed, and
 - + any recommended action for the DoD Program Coordinator.

INFORMATION REQUIREMENTS: The report requirements outlined in this DEPPM have been assigned Reports Control Symbol DD-M(AR) 1511 .
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IMPLEMENTATION: This Defense Energy Program Policy Memorandum is effective immediately.



George Marienthal
Deputy Assistant Secretary of Defense
(Energy, Environment & Safety)

Enclosures

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MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DEPARTMENT OF DEFENSE
AND
THE DEPARTMENT OF ENERGY

I. INTRODUCTION

This Memorandum of Understanding provides for a broad range of cooperative energy activities between the Department of Defense (DoD) and the Department of Energy (DOE), to enhance national security and achieve the United States' energy goals.

The DOE is the planning and management organization for Federal energy programs. One of its major objectives is to reduce the serious threat posed to the national security of the United States, and to the health, safety, and welfare of its citizens, by the growing shortages of nonrenewable energy resources and our increasing dependence on foreign oil supplies. The DOE is tasked to: achieve effective management of energy functions of the Federal Government; provide a mechanism to formulate and implement a coordinated national energy policy; create and implement a comprehensive energy conservation strategy; plan, coordinate, support, and manage a balanced and comprehensive energy research and development program; formulate an effective strategy for fuel allocation in periods of short supply; establish and implement policies regarding international energy issues that impact on the energy posture of the United States; and assure that energy programs are consistent with national environmental goals.

The DoD recognizes the vital role energy plays in national defense objectives. Reliance on energy pervades all military activities; therefore, the DoD must be an active participant in efforts to assure adequate energy resources are available to meet its needs. As the largest consumer of energy in the Federal Government, DoD is concerned with the rising cost and diminishing supply of energy necessary to meet the requirements of its operating forces and critical support facilities.

In addition, DoD's extensive facilities, specialized equipment, and expertise are valuable resources that could substantially aid in the execution of the national energy plan.

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II. PURPOSE

This Memorandum of Understanding establishes the general conditions under which DOE and DoD will undertake specific cooperative arrangements to meet two basic goals: improving energy efficiency and availability within DoD; and utilizing DoD and DOE expertise and facilities to carry out projects of mutual interest.

III. ENERGY LEGISLATION

The DOE has responsibility with respect to energy programs under such legislation as the "Federal Nonnuclear Energy Research and Development Act of 1974" (P.L. 93-577), the "Energy Reorganization Act of 1974" (P.L. 93-438), the "Solar Heating and Cooling Demonstration Act of 1974" (P.L. 93-409), the "Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976" (P.L. 94-413), and the "Department of Energy Organization Act" (P.L. 95-91). These statutes also provide for the participation of the DoD in Federal energy programs under the jurisdiction of the DOE.

IV. SCOPE OF COOPERATIVE PROGRAMS

Cooperative energy activities undertaken by DoD and DOE are designed to: enhance national security; reduce United States dependency on foreign energy supply; ensure that renewable and abundant domestic energy resources can be utilized; and promote energy conservation efforts. These activities will include research, development, demonstration, and other projects. In this context:

- A. DoD will identify to DOE its requirements for fuel necessary to support the peacetime readiness and wartime operations of the strategic and tactical forces;
- B. DoD will use its expertise and facilities as mutually agreed in research, development, and demonstration programs in support of DOE, within its authority and in accordance with DoD policies and procedures;
- C. DOE will collaborate with DoD in ensuring that DOE's programs, including the Strategic Petroleum Reserve Program, help to assure the peacetime readiness and wartime operational needs of the strategic and tactical forces;

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- D. DOE will assist DoD in identifying significant potential areas of energy saving within DoD and will advise DoD of advances in energy related technologies that have potential application to DoD;
- E. DOE will review DoD's annual list of energy related research, development, test, and evaluation projects to ensure duplicate projects are not initiated and will advise DoD of the results of that review; and
- F. DOE will use its expertise and facilities as mutually agreed to participate in research, development, and demonstration programs, in accordance with established DOE policies and procedures.

V. IMPLEMENTATION

The Secretary of Energy and the Secretary of Defense each will designate a Program Coordinator who will serve as the principal liaison officer between the two departments. The Program Coordinators will conduct reviews of cooperative efforts at least semiannually and will report recommendations based on these reviews to the Secretary of Defense and the Secretary of Energy.

Specific programs and projects will be implemented through subordinate agreements between the concerned parties. These agreements will provide the operational, fiscal, and management guidelines necessary to carry out specific programs and projects. Each department will establish procedures to assure that these subordinate agreements are consistent with this Memorandum of Understanding and each department's policies. The DoD and DOE Program Coordinators will maintain copies of all executed subordinate agreements, including those between the Military Departments and the DOE.

VI. PROCUREMENT POLICY

Activities undertaken under the provisions of this Memorandum of Understanding may involve contractual arrangements with non-governmental entities. When such arrangements are necessary, they will be consistent with the legal authority of the department for whom the activities are undertaken. Contracting shall be done pursuant to the regulations of the contracting department. The department for whom the activities are undertaken shall identify in the proposed interagency agreement or task order any of its policy requirements with which such arrangement must be consistent. When any of the requirements of the department for whom the

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activities are undertaken are in conflict with regulations, procedures, or policy of, or legislation applicable to, the contracting department, the issue shall be resolved jointly at appropriate levels within the two departments and the resolution shall be reflected in the interagency agreement or task order for the specific activity undertaken.

Contracts awarded by DoD under this Memorandum of Understanding shall include patent provisions as provided by either Section 9-107.7 or Section 9-107.8 of the Defense Acquisition Regulation as appropriate to comply with DOE statutory patent policy.

VII. PUBLIC INFORMATION COORDINATION

Except for requests made under the Freedom of Information Act (5 U.S.C. 552), arrangements for timely release of information to the public regarding projects and programs implemented under this Memorandum of Understanding will be by mutual agreement between the DOE and DoD Program Coordinators.

VIII. INFORMATION EXCHANGE AND BUDGET COORDINATION

Consistent with existing data disclosure policies, there will be a free exchange of information between the DOE and DoD, and the two departments will coordinate with each other to facilitate consistent development and use of energy related information. DoD and DOE will provide to each other support in budget justification and hearings before the Office of Management and Budget and the Congress with respect to joint activities.

IX. AGREEMENTS PRESENTLY IN EXISTENCE

Interagency agreements between the DoD and any of the agencies whose functions were assumed by DOE on October 1, 1977, will remain in effect until terminated or renegotiated. This Memorandum of Understanding supersedes the Memorandum of Understanding, dated January 15, 1977, between DoD and the Energy Research and Development Administration.

X. EXCLUSIONS

The following are excluded from this Memorandum of Understanding:

- A. All intelligence and nuclear safeguards matters.

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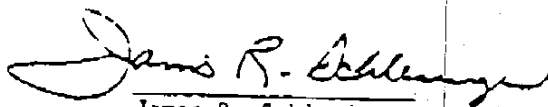
- B. All nuclear weapons matters including related nuclear material production activities. DoD will comply with DOE policies pertaining to the use of the DOE weapon laboratories for nonweapon work.
- C. All Naval reactors and related activities.
- D. Civil works activities of the U.S. Army Corps of Engineers performed in accordance with existing agreements.
- E. All matters pertaining to the Federal Energy Regulatory Commission.

II. AMENDMENT AND TERMINATION

- A. This Memorandum of Understanding will be reviewed annually by DOE and DoD to determine whether it should be continued, modified or terminated.
- B. This Memorandum of Understanding may be terminated or amended by mutual agreement of DOE and DoD. Normally, a minimum of 90 days advance written notice of proposed termination will be provided.

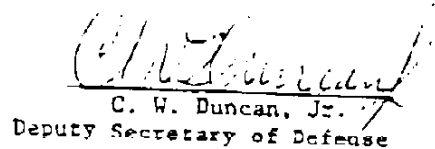
XII. EFFECTIVE DATE

This Memorandum of Understanding is effective when signed by both departments.



James R. Schlesinger
Secretary of Energy

September 8, 1978
Date



C. W. Duncan, Jr.
Deputy Secretary of Defense

October 19, 1978
Date

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THE SECRETARY OF DEFENSE
WASHINGTON D.C. 20301

October 19, 1978

Honorable James R. Schlesinger
Secretary of Energy
Department of Energy
Washington, D.C. 20545

Dear Jim:

This is to return to you a signed copy of the Department of Defense-Department of Energy Memorandum of Understanding (MOU). I have designated George Marienthal, Deputy Assistant Secretary of Defense, Energy, Environment and Safety (Manpower, Reserve Affairs and Logistics), as the Program Coordinator to carry out the liaison activities under the Memorandum. George Marienthal will have the necessary authority within the Department to carry out this important function.

I look forward to continued excellent cooperation between our Departments. I am confident that our joint efforts will enhance the national security and help achieve the nation's energy goals.

Sincerely,



Deputy Secretary of Defense

Enclosure

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Enclosure 3

DoD Directive 1000.17, "Department of Defense Personnel Assigned to Duty Outside the Department and Supporting Non-DoD Activities," May 31, 1977.

DoD Directive 4000.19, "Basic Policies and Principles for Interservice, Interdepartmental and Interagency Support," March 27, 1972.

DoD Directive 4165.61, "Intergovernmental Coordination of Department of Defense Land and Facility Plans and Projects," December 16, 1976.

DoD Directive 4275, "Acquisition and Management of Industrial Resources," July 13, 1978.

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Enclosure 4Report

on the

Department of Defense-Department of Energy
Interagency Agreement1. Subject:Date:2. Narrative Description:3. Number:4. Total Cost:

DoD

DoE

5. Duration:6. Expenditures:DoDDoE

\$ Cost to date

Man years to date

7. Major accomplishments of last 6 months:

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Enclosure 4 (Cont'd)

8. Major benefits to DoD in last 6 months:

9. DoD Project Officer: (NOTE: Changes in DoD project officers shall be provided the DoD Program Coordinator within 15 working days.)

Name:

Organization:

Address:

Telephone No.:

10. DoE Project Officer:

Name:

Organization:

Address:

Telephone No.:

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Enclosure 4 (Cont'd)

11. Recommendations for change or continuation of this agreement:

12. Additional Comments (Optional):

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